REMARKS

This amendment is submitted in response to the Official Action mailed March 31, 2006. In view of the above claim amendments and the following remarks, reconsideration by the Examiner and allowance of the application is respectfully requested.

This amendment follows the May 8, 2006 interview with the Examiner, which is gratefully acknowledged. At the interview, the rejection of the claims in view of the cited combination of Armetta et al. and Naim was discussed, which the examiner considered to be the obvious use of Armettta et al. – type satellite spending cards to fund Naim – type internet music file accounts. Applicant explained that neither publication disclosed a method in which periodic allowance payments were directly and automatically made to an account established with an internet music file supplier from a parent's bank or credit card account. Applicants agreed to amend the independent claim, Claim 41, to require that the periodic fund transfer be in the form of an allowance payment from parental funds made directly to the account with the internet music file supplier on behalf of a child and to state for the record that such claim language excluded indirect fund transfers through a child's satellite spending card.

Accordingly, Claim 41 has been amended to clarify that the fund transfer from the parent account to the child account is an automatic allowance payment made directly from the parent account to the account set up for the child with an internet music provider. Page 8, lines 2 – 12 of the specification discloses a method in which a customer (secondary) account file is created containing a record of funds deposited for the customer into which funds are periodically deposited in response to command instructions from the fund depositor. Periodic deposits that are made automatically are disclosed at page 7, lines 33 – 34 of the specification. At page 18, lines 3 – 5 the specification discloses that, "The supplier of entertainment may only offer the parental controls and need not offer the controlled spending account." By implication this discloses that accounts may also be offered by content providers into which funds are directly transferred from parental bank or credit card accounts.

A specific example of the direct and automatic deposit of a periodic allowance payment to an account with a retail content outlet (as opposed to a pay-per-view content provider) is disclosed in the specification at page 16, lines 23 – 32. Internet retail content outlets, including music file suppliers, are disclosed in the specification at page 16, lines 4 – 17. Thus, there is adequate written support for subject matter added to claim 41.

In addition, the paragraph bridging pages 7 and 8 of the specification discloses that the invention includes methods in which periodic allowance payments are made independent of limits on transaction of content. Furthermore, the purchase and transfer of music files over the internet using a personal computer is disclosed in the specification at page 13, lines 9 – 13 and also at page 16, lines 4 – 13. Thus there is adequate descriptive and enabling support in the specification for the subject matter of Claim 41 that patentably defines over the cited combination of prior art.

In addition, Claim 46 has been canceled, and Claims, 42, 45, 48, 49 and 54 have been amended to conform with the changes to Claim 41. Finally, Claim 42 has also been amended to correct the typographical error identified by the Examiner, which also does not introduce new matter.

In view of the above claim amendments, the within application is believed to be in condition for allowance. Reconsideration of the rejections made by the Examiner and allowance of the application is therefore respectfully requested.

Turning to the Official Action, Claims 41 – 46 and 48 – 51 were rejected under 35 U.S.C. §103(a) as being unpatentable over Armetta et al. U.S. Patent No. 5,864,830 in view of Naim, U.S. Patent No. 6,779,115. Armetta et al. was cited as disclosing computer based methods for allocating parental funds in which a primary parental account is linked to one or more secondary child accounts with periodic allowance transfers. The examiner acknowledged that Armetta et al. did not disclose the use of funds for the purchase and transfer of music files over the internet, but cited Naim, as disclosing this.

Regarding claims 54 and 55, the Examiner acknowledged that Armetta et al. and Naim did not disclose content rating controls. Instead, claims 54 and 55 were rejected under 35 U.S.C. §103(a) as unpatentable over Armetta et al. and Naim et al. for the reasons previously given and further in view of Hunter et al., U.S. Patent No. 5,485,519, which was cited as disclosing content rating controls.

The foregoing rejections are respectfully traversed in view of the above claim amendments and the matters discussed at the interview for the reasons set forth hereinafter.

Claim 41 has been amended so that the secondary accounts that are established by parents with internet music file providers for the purchase of music files over the internet by their children are funded by periodic and automatic allowance payments directly transferred by the parent using a personal computer from a bank or credit account. The disclosure of Armetta et al. is limited to secondary spending card accounts linked to a primary credit card, all of which are issued by the same financial institution. In Claim 41, the primary account and secondary account are controlled by separate institutions, presumably a bank and an internet site. Armetta et al. at best teaches issuing a spending card account to a child to purchase goods or service from a vendor willing to accept the card and does not even remotely suggest establishing an account with a vendor to be directly funded periodically and automatically by a parent's bank account or credit card.

In other words, Armetta et al. requires an indirect multi-step process which is specifically excluded by the language added to Claim 41 requiring that the periodic fund transfer be made directly from the parent's account to an account established for the child with the content supplier. Armetta et al. teach using a parent's card to fund a child's card which is then used to fund an account for the purchase or music files over the Internet. The present invention merely uses the parent's card to fund a child's account with an internet music file provider.

In other words, Armetta et al. disclose less than what was already taught by Applicant in the application he filed before Armetta et al. on April 16, 1996. That application, a copy of

which is already part of the file history, discloses issuing card accounts to children linked to a parent's credit card and funded by the periodic and automatic transfer of an allowance payment, which the children can use to spend as they like, subject to controls preventing spending on alcohol, tobacco and controlled dangerous substances. Therefore, the April 1996 disclosure generically encompasses using a satellite card for spending on non-prohibited items a child would ordinarily purchase, which would include internet music files. If the presently claimed invention is merely the obvious extension of an Armetta et al. – type card account, then Claim 41 also obtains priority benefit of the April 1996 patent application, thereby disqualifying Armetta et al. as not prior art.

In other words, either the direct funding of an account with an internet music supplier is not obvious in view of Armetta et al, or if it is, then this is supported by the disclosure of the April 1996 patent application and Armetta et al. is disqualified as prior art.

Furthermore, the Examiner incorrectly interprets Armetta et al. as disclosing the periodic transfer of allowance funds from a parent's card to a child's card. Nowhere in Armetta et al. is this disclosed, or even remotely suggested. The only periodic functions disclosed by Armetta et al. are the periodic issuance of a credit card statement and the periodic application of interest charges. Armetta et al. discloses that although intended for single use (See Col. 3, lines 46–52), secondary cards may be recharged with funds from the primary card, but there is no disclosure that the recharging be performed more than once, let alone periodically as an allowance payment. By disclosing fund recharging but omitting to teach that it be performed periodically, Armetta et al. essentially teaches against the periodic and automatic transfer of allowance payments to which Claim 41 is now directed. And by amending Claim 41 to require the automatic transfer of an allowance payment, the sporadic account recharging disclosed by Armetta et al. is specifically excluded from the scope of the claim.

The missing disclosure is not supplied by Naim, which discloses internet music file purchasing accounts funded by the music purchaser. That is, a child with a Naim-style account will purchase music files with their own funds, and not with funds paid to the internet music file

provider on their behalf by the parent. Naim at best only suggests the use of an Armetta et al. type of system to purchase music files over the internet. That is, the combined teachings of the two patents at best suggest using a parent's credit card to fund a child's secondary card for use by the child to purchase music files over the internet. And even then there is no periodic and automatic transfer of an allowance payment to an account.

Accordingly, there is no teaching or suggestion in either publication, viewed alone or in combination, of establishing a child's account with an internet music file provider that is directly and automatically funded by a parent's bank or credit card account with periodic allowance payments. This is only learned by reading the present specification, from which to conclude the pending claims are obvious represents the impermissible application of hindsight reconstruction.

The amendment to Claim 41 to require the direct transfer of periodic and automatic allowance payments from a parent's bank or credit card account to fund a child's account with an internet music file supplier therefore specifically excludes the subject matter taught by or suggested by the cited combination of Armetta et al. and Naim and patentably defines thereover under 35 U.S.C. §103(a). Claims 42 – 45 and 48 – 51 depend from Claim 41 and are directed to allowable subject matter by the features of Claim 41 discussed above. By amending Claim 41 in this manner, this rejection of Claim 41 – 45 and 48 – 51 has thus been overcome. Reconsideration by the Examiner and withdrawal of this rejection is therefore respectfully requested.

Finally, Claims 54 and 55, rejected in view of the cited combination of Armetta et al., Naim and Hunter et al. also depend from Claim 41 and are directed to allowable subject matter by the features of Claim 41 discussed above. Reconsideration by the Examiner and withdrawal of this rejection is therefore also respectfully requested.

To be complete, Applicants note that the Examiner objected to Claim 42 because the letters "ing" at the end of the claim should have been deleted by strike-through. Claim 42 has been amended to correct this typographical error. Reconsideration by the Examiner and withdrawal of his objection to Claim 42 is therefore respectfully requested.

Accordingly, in view of the above claim amendments, the matters discussed at the interview and the foregoing remarks, this application is now in condition for allowance. Reconsideration is respectfully requested. However, the Examiner is requested to telephone the undersigned if there are any remaining issues in this application to be resolved.

Finally, if there are any additional charges in connection with this response, the Examiner is authorized to charge Applicant's deposit account number 19-5425 therefor.

Respectfully submitted,

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